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New Zealand

Product Brief

New Zealand Market for Fresh Fruits

2000

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Report Highlights: New Zealand is a good market for counter seasonal shipments of U.S. grapes, stone fruit, oranges and other products. The first shipments of U.S. pears and papayas occurred in 1999 following new phytosanitary agreements. Effective marketing activities, growing year-round fruit demand, and access for new fruits has boosted U.S. exports.

Includes PSD changes: No

Includes Trade Matrix: No

Unscheduled Report

Wellington [NZ1], NZ

1. EXECUTIVE SUMMARY

New Zealand's consumption and imports of certain fresh fruits is growing, and U.S. exporters have been able to capitalize on this trend, filling a counter seasonal demand. U.S. exports in 1999 to New Zealand of fresh fruit totaled \$10.1 million, down only marginally from 1998's level, and an excellent performance given the strong U.S. dollar and lower quality California orange crop. U.S. fresh fruit shipments to New Zealand in 1999 included record exports of nectarines and peaches, as well kiwifruit, and the first shipment of pears and Hawaiian papayas, the latter two commodities cleared through new phytosanitary agreements. U.S. fresh fruit exports in 2000 should increase, reflecting greater shipments of oranges and pears.

Advantages	Challenges
U.S. fruits normally have a high quality image	Competition from domestic product
Tariffs are zero	Competition from Australia
U.S. promotion efforts have increased consumption of some fruits	Fruit handling techniques need improvement

2. CONSUMPTION

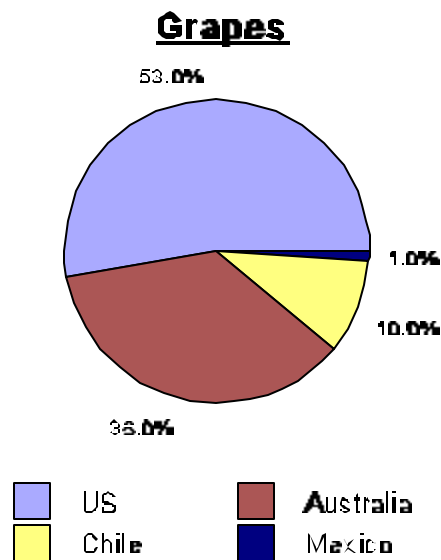
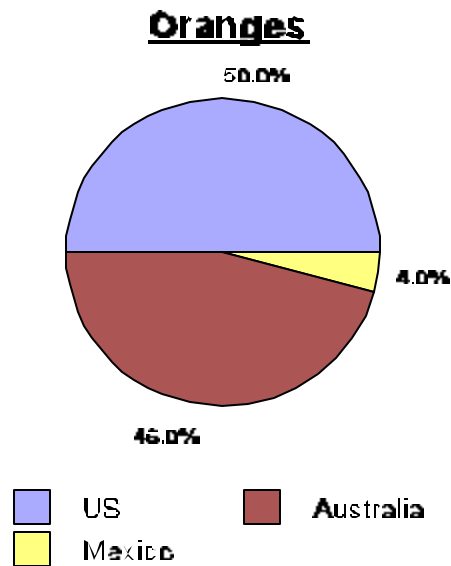
No actual data exist on consumption of fresh fruits but trends vary by fruit. Industry contacts report that two key trends are:

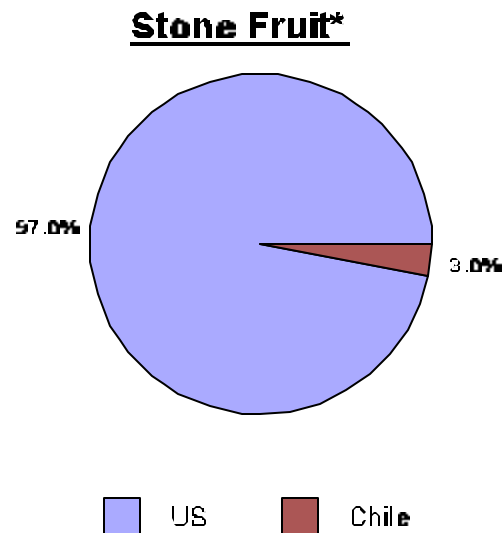
- consumption of stone fruits (plums, peaches, and nectarines) and mandarins is growing on a per capita basis, fueling U.S. export opportunities for stone fruit.
- consumption of oranges, grapes, and kiwifruit on a per capita basis is stable, with local consumption of these fruits seen as mature.

Domestic consumption also fluctuates widely based on production swings and the percentage of quality fruit available for export. New Zealand produces stone fruits, oranges, and kiwifruit, but does not produce table grapes.

3. COMPETITION

*New Zealand's
Imports of Fresh
Fruits by Supplier*





* Includes nectarines, peaches and plums.

- The U.S. usually holds one half or more of the New Zealand import market for oranges, led by California's reputation for high quality. Australia supplies most of the other imports. The U.S. held a 61 percent import share in 1998, but that share fell in 1999 due to lower quality fruit from the freeze (but based on the good quality, early 2000 California crop, the U.S. share should recover this year). Imports from Mexico were made in 1999 but the quality was not good, which helped to depress the market. Overall imports also fluctuate with local production of oranges and other fruits; import volume of oranges totaled 14,239 MT in 1998 and fell to 7,921 in 1999.
- The U.S. (California) normally holds slightly more than 50 percent of the grape import market, with Australia and Chile supplying most of the remainder. Australia has lengthened its supply season but this may change with the arrival of California grapes in the Aussie market. Activities of the California Table Grape Commission have helped changed the impression for some New Zealand consumers of California grapes from once being a special luxury product to now being an affordable, daily snack.
- The U.S. (California) holds 100 percent of the import market for nectarines and peaches and holds nearly 90 percent of the market for plums. Chile has seen a slight increase in its share of plum imports but shipments remain small. Activities of the California Tree Fruit Agreement

have helped maintain the high U.S. share through educating the trade on handling these fruits during the New Zealand winter and motivating consumers to purchase this seasonal fruit.

- Based on a new market access agreement (see below), the U.S. in 1999 supplied the first shipments of pears to New Zealand in November. Australia holds a 90 percent share of imports, with China and the U.S. at 4 percent each. The U.S. share will certainly grow in 2000 as the U.S. will have access during the full season to ship pears. Total pear imports from all sources rose sharply from 398 MT in 1998 to 1,433 MT in 1999.
- California also supplied kiwifruit to New Zealand for the second season in a row, with record shipments in 1999 (Kiwi data show imports tripling to 400 MT, all from the U.S.). When local production is exhausted, consumers can now benefit from imported kiwifruit. Imports in 2000 are expected to be smaller than the previous year, however, as the window for imports has narrowed to several months as more local product is kept in cold stores.

4. MARKET ACCESS

Tariffs

Tariffs are zero for fresh fruits from all countries.

Import Requirements

New Zealand's relevant legislation, the Biosecurity Act 1993, requires that any plant product, including fresh fruits, entering New Zealand that could act as a vector for an unwarranted organism (regulated pest) be covered by an import health standard (IHS) approved by MAF (Ministry of Agriculture and Forestry). All IHS are developed on a country by commodity basis, and with the U.S. and larger nations by state as well.

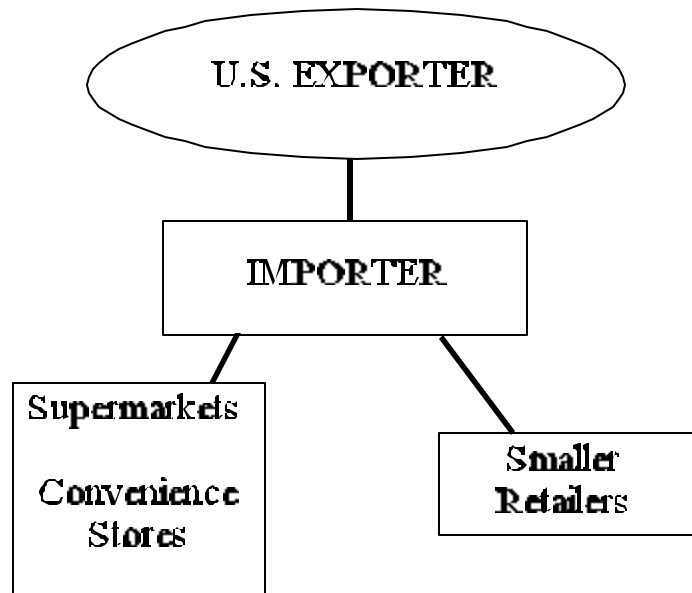
For the U.S., currently approved commodities for fruits are: kiwifruit, lemon, grapefruit, mandarin, orange, tangerine, orange, tangelo, pomelo, strawberry, apple, mango, apricot, cherry, plum, nectarine, peach, pomegranate, grape, pear, and papaya. Most of these approvals are for California but some include other states as well (ie, grapefruit from Florida). California supplies most fresh fruit from the U.S. because of transportation advantages.

All imports of fresh fruits from the U.S. into New Zealand require a phytosanitary certificate from USDA's Animal and Plant Health Inspection Service (APHIS).

APHIS and MAF are in regular contact over revising IHS and discussing access for new products. For example, several outstanding issues regarding access for California avocados will be discussed in April.

APHIS and MAF in October 1999, reached an agreement to allow pears from Washington state access and in November an agreement allowed access from California, Oregon, and Idaho. An IHS

also was agreed to in 1999 which allowed access for papayas from Hawaii (and imports were made).



**5.
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- Most fresh fruits from the U.S. are imported by several importers, and especially by two main importers.
- Fruits are then sold and distributed primarily to supermarkets. Supermarkets are highly concentrated as they are owned by only three companies with their chain stores (Foodstuffs Ltd., Progressive, and Dairy Farm International Holdings).
- Smaller retailers usually purchase fruit from the importers' wholesale markets through out the country.

End of Report

Product briefs are researched and produced by the FAS office in Wellington, New Zealand. They are meant to provide exporters with key information on products the FAS Office has identified as having

potential within the New Zealand market (see NZ9072 for more information). For further information, contact: Foreign Agricultural Service, American Embassy, at 011-644-472-2068, Ext 293 (phone); 011-644-473-0772 (fax); or fas@usda.america.org.nz (email).